

64-7932/B



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

30 December 1964

Carroll

Lt. General Joseph F. Carroll, USAF
Director
Defense Intelligence Agency
Washington, D. C.

Dear Joe:

ER# 64-7932-att.

This responds to your letter of 2 December, and to our subsequent conversations. I have now reviewed in detail the evolution of NPIC from December 1962 to date, reflecting, of course, on our exchange of views in the spring of 1963 and noting with particular interest your recent exchange of correspondence with NPIC and the account of the meeting between you and Lundahl.

In April 1963 you concurred in the principles set forth in the DCI's memo to the Secretary of Defense of 6 December 1962 which, among other things, established an organization into which both CIA and DIA would place PI's to perform the national exploitation. It was recognized at that time that these PI's would be under the functional control of the Director, NPIC, but remain administratively responsible to their parent organizations, and in your memo you took cognizance of the fact that different administrative arrangements would have to be made. With your help and the corraling of the various military service forces into a single contingent we were able to progress from the so-called "ad hoc" manner of performing PI readout to the establishment of a permanent organization and have operated in this manner, with relatively minor changes, ever since. The results, I think, speak for themselves.

I firmly share your view of the current and, indeed, continuing national dependence upon NPIC as an agency of common concern. Any change in current practices then is a matter of management judgment as to just what course will maintain at maximum level the capabilities of NPIC.

DIA review(s) completed.

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(EXECUTIVE REGISTRY FILE)

NPIC
MANPOWER

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25X1

Before turning to some of the specific factors involved in this decision, I want to touch briefly on a point which you mentioned in your letter and which has arisen on other occasions and this concerns Art Lundahl's dual role as Director, NPIC, and head of the CIA departmental photographic intelligence effort. The CIA departmental effort is a drop in the bucket compared to the holdings of the military services and DIA and is, for reasons of economy and efficiency, housed wholly within [] It is the element from which we have drawn the PI's to work in the national arena and has, over and above this, supported in many ways the national effort in times of crisis and severe strain. It serves also as the CIA administrative recruitment base to go out into the market and attract young professionals to this type of work. As you well know, the Agency has no built-in supply of PI's and must literally recruit people out of the universities and companies and train them for this type of work. Now it made sense to me two years ago and it continues to today to have Lundahl serve as head of both the national center and the CIA effort since by so doing he is:

1. Not put in the awkward position of competing with another element of CIA to attract and recruit PI's.
2. In control of the administrative base from which PI's are assigned to the national center.
3. More closely able to monitor the efforts of both and ensure, at least between these two elements, as little duplication as possible.

His orders are today, as they have always been, to provide first and foremost for the national effort and I feel he has carried out those instructions. In my judgment, and in his, his dual role has been in the past and will continue to be in the future a positive asset to the national exploitation program.

I have gone into the rotation policy practiced by CIA in depth and the following points stand out clearest to me:

- 25X1
1. Rotation as practiced by CIA basically involves the cycling of PI's from the north end of the third floor of [] to the south end no more frequently than every

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- 3 -

two years. These men never really leave their professional pursuits or, in many cases, their specialized fields, and therefore I simply cannot view with any real concern the negative effects this policy might have on the general competence or continuity of the Agency contribution to the photo analysis effort of the Center.

2. A mix of experience between jobs on the national production line and a departmental element, such as the CIA detachment which is working primarily on strategic level problems, not only provides variety and stimulation for the PI but diversifies his experience and, over the long run, makes him a better and more acute viewer of the products over which he must labor.

3. The high degree of expertise and knowledge of this group, to which you refer in your letter, was developed over the period of time during which they participated, not only in the rotation policy, but indeed for part of the period performed national work on an ad hoc basis. The variety of experience gained by them has proven to be an asset rather than a liability.

4. So-called off-the-job training is a frequent and recurring must in this business and cannot be done at the expense of the national effort. PI's should be trained while serving in their parent organization so as not to detract from the productive capacity of the national activity.

5. We must prepare not simply for today but for the long run and by developing and equipping, as rapidly as possible, this CIA detachment to meet both national and departmental objectives, we will have created a hard core and long-term asset, the members of which can look forward to varying and stimulating experiences throughout their careers.

The above factors, coupled with the experience of Lundahl, his senior managers and indeed his senior PI's, most of whom have worked between 10 and 20 years in the business in a wide variety of military

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and civilian organizations, lead me to believe NPIC is embarked on a prudent course. I would differ with the view expressed in paragraph 3 of your letter as to the fact that the irreplaceable degree of expertise and knowledge developed by the present PI staff has been the primary reason why NPIC has been so effective. Instead, I would say that while this has been a most important reason, other equally important factors have been the concepts of organizing and operating a mass, rapid response, team-oriented production effort developed by the management of NPIC and the literal revolution they have brought about in the methodology of performing PI work, the integration of collateral data, on-line computer-driven mensuration techniques, and the host of other innovations which they have brought to the business. I think this management has proved itself not just abreast, but ahead of the times and their reasoning on the particular issue in point here convinces me to go along with them. I appreciate and most certainly share your concern over any development at NPIC which would appear on the surface to militate against maximum and continuing high-quality production, but I see no danger of this in a continuation of the current rotation policy.

You have my assurance that maintenance of the integrity and high standards of NPIC will be protected, continued, and improved.

Faithfully yours,



Marshall S. Carter
Lieutenant General, USA
Deputy Director

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Lt. General Joseph F. Carroll, USAF
Director
Defense Intelligence Agency
Washington, D.C.

Dear Joe:

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I have now ~~Upon receipt of your letter of 2 December I sat down with Art Lundahl to review in detail the evolution of NPIC from December 1962 to date, reflecting, of course, on our exchange of views in the spring of 1963 and noting with particular interest your recent exchange of correspondence with NPIC and the account of the meeting between you and Lundahl.~~

In April 1963 you advised me of your concurrence in the principles set forth in the DCI's memo to the Secretary of Defense of 6 December 1962 which, among other things, established ~~and line~~ organization into which both CIA and DIA would place PIs to perform the national exploitation. It was recognized at that time that these PIs would be under the functional control of the Director, NPIC, but remain administratively responsible to their parent organizations, and in your memo you took cognizance of the fact that different administrative arrangements would have to be made. With your help and the corraling of the various military service forces into a single contingent we were able to progress from the so-called "ad hoc" manner of performing PI readout to the establishment of a ~~permanent~~ permanent organization and have operated in this manner, with relatively minor changes, ever since. The results, I think, speak for themselves.

~~I am prepared, of course, to invoke any possible administrative arrangement for the assignment to NPIC of PIs, and other personnel for that matter, which will promise to guarantee or materially enhance the productive capabilities of that organization~~ ~~for~~ I firmly share your view of the current and, indeed, continuing national dependence upon NPIC as an agency of common concern. Any change in current practices then is a matter of management judgment as to just what course will maintain at maximum level the capabilities of NPIC.

Before turning to some of the specific factors involved in this decision I want to touch briefly on a point which you mentioned in your letter and which has arisen on other occasions and this concerns Art Lundahl's dual role as Director, NPIC, and head of the CIA departmental photographic intelligence effort. The CIA departmental effort is a drop in the bucket compared to the holdings of the military services and DIA and is, for reasons of economy and efficiency, housed wholly within

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You have my assurance that maintenance of the integrity and high standards of NPIC will be protected, continued, and improved.

Faithfully yours,

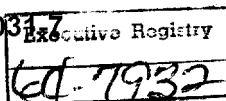
Marshall S. Carter
Lieutenant General, USA
Deputy Director



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DEFENSE INTELLIGENCE AGENCY
WASHINGTON, D. C. 20301



2 December 1964

S-675/XX

Lt General Marshall S. Carter
Deputy Director
Central Intelligence Agency
Washington, D. C.

Dear Pat:

I have been advised of the adoption by CIA of a policy calling for short-term rotation of photo interpreters assigned to the National Photographic Interpretation Center (C). As recently modified, this policy prescribes the rotation every two years of CIA personnel assigned to the Photo Analysis Group (PAG) with a transfer of approximately one-third of the force every eight months. Previously, as I was most surprised to learn, the policy had called for the annual rotation of photo interpreters with transfer of one-third of the force every four months. The first personnel changes under that policy were accomplished six months ago.

As you may recall as a result of an exchange of letters between the Secretary of Defense and the DCI, you and I agreed to modify personnel assignment policies governing our participation in the NPIC. Our common objective was to formulate policies which would provide for the stability of personnel assignments, and maintain and enhance the timeliness and continuity of the NPIC response. Pursuant to this objective, I directed that in the selection and assignment of DIA personnel to NPIC the most exacting professional standards be invoked to insure the acquisition of the best qualified personnel, both military and civilian. While it is granted that the military personnel assigned to NPIC are rotated, it is emphasized that their period of assignment generally extends from three to four years and that they represent only about 40 per cent of our total contribution.

As I have already advised Mr. Lundahl, it seems inevitable to me that adoption of a short-term rotation policy will have an adverse impact on the over-all effectiveness and continuity of Center operations. Further, such a policy seems inconsistent with the current national dependence and high level emphasis being placed upon the primacy of the NPIC as an agency of common concern. The irreplaceable degree of expertise and knowledge developed over the past few years by the presently constituted staff of NPIC photo interpreters has permitted them to render competent professional judgments in the assessment of photography and has been, I believe, the primary reason why NPIC has been able to respond so effectively to the needs of the national intelligence community. A policy of short-term rotation, involving a major segment of the national photo interpreter force

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including those recognized as the unchallenged experts in their respective fields, would in my judgment diminish the rapidity and continuity of response which is so vital in day-to-day intelligence/reconnaissance operations and even more critical during periods of national crisis and hostilities.


Although I fully recognize and support the requirement for a vigorous career development and personnel management program, I do not subscribe to the thesis that a policy of short-term rotation is the best means to achieve such worthwhile goals.

Although the matter is not entirely clear to me, it is my understanding that Art Lundahl has had recourse to this short-term rotation policy partly for career development purposes and partly, perhaps primarily, to accommodate to his concept of over-all CIA personnel policy and to balance the competitive needs of CIA's departmental and NPIC photo interpreter requirements.

At any rate, Pat, this is the way it looks from where I sit. My concern would be considerably alleviated if you would look into the matter with your usual perspicacity and objectivity.

I feel, as I am sure you do, that the NPIC is one of the most effective and valuable assets in the intelligence community whose record to date deserves high commendation. My only concern is that such a high standard of efficiency be maintained and improved and that no ill-advised policies of DIA or CIA detract from its over-all effectiveness.

Sincerely,


JOSEPH F. CARROLL
Lieutenant General, USAF
Director

Sdcl

How about my arranging for
a get-together to discuss this
amongst you, Kirk, Ray & Art?

First find out what the ^{HK}
story is by phone-someat - ^{12/4}
I don't know what Art's problem is, where
he would rotate a PI to?, and why - ~~JK~~

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ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	
Remarks: <p style="text-align: center;">I agree with Joe.</p> <p style="text-align: center;">LBK</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
Executive Director				4 Dec.	
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